



# 2026 Proposed Tax Budget Overview

January 23, 2026



# Addressing the Mayoral Directive

The 2026 Tax Proposed Budget was prepared in alignment with the Mayor's Directive (MDI-2025-01), prioritizing affordability, fiscal discipline, and long-term sustainability while protecting core City services.

## Imperative:

Deliver a **hold-the-line budget** that maintains essential services and critical investments while limiting the residential tax increase to **no more than 4.25%**.

## Key Direction:

- Hold-the-line approach ( $\leq 4.25\%$  tax increase)
- Protect core municipal services
- Prioritize critical infrastructure renewal
- Maintain investments in community safety and well-being

## How to Achieve the Target:

- Operational efficiencies and cost savings
- Process modernization and technology enablement
- Staffing right-sizing and vacancy management
- External funding and alternative revenue opportunities
- Capital optimization and prudent use of reserves and debt

## Process Expectations:

- Integrated operating and capital budgets
- Earlier, clearer, and more transparent budget process
- Expanded public engagement

# 2026 Budget Engagement – Informing the Budget



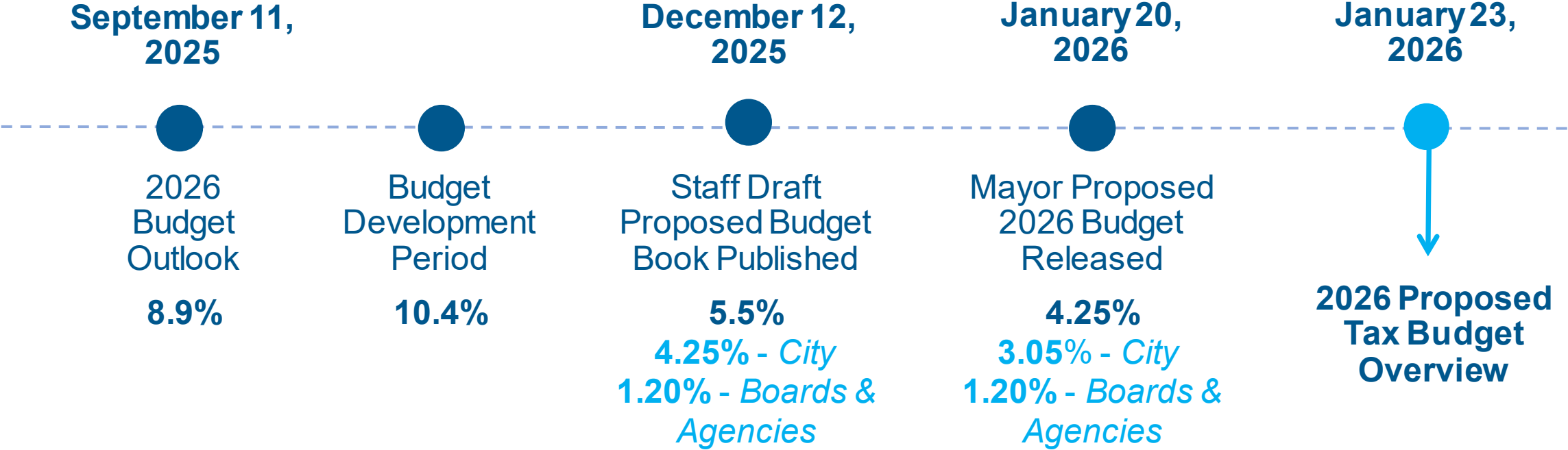
## Emerging Themes:

- Supports affordability
- Responsible financial management
- Steady investment in core infrastructure (roads, sidewalks, and parks – the things that residents rely on)

## Priority Areas:

- Infrastructure
- Safety
- Housing and homelessness
- Community spaces

# 2026 Tax Budget Process



# 2026 Proposed Tax Budget Highlights

## Highlights

- Responding to Affordability pressures while protecting long-term sustainability
- Investing in renewing and enhancing infrastructure, such as roads, sidewalks, and community assets
- Maintaining core municipal services that Hamiltonians depend on
- Supporting public safety and emergency services
- Advancing housing and homelessness strategies
- Investing in transit and transit expansion

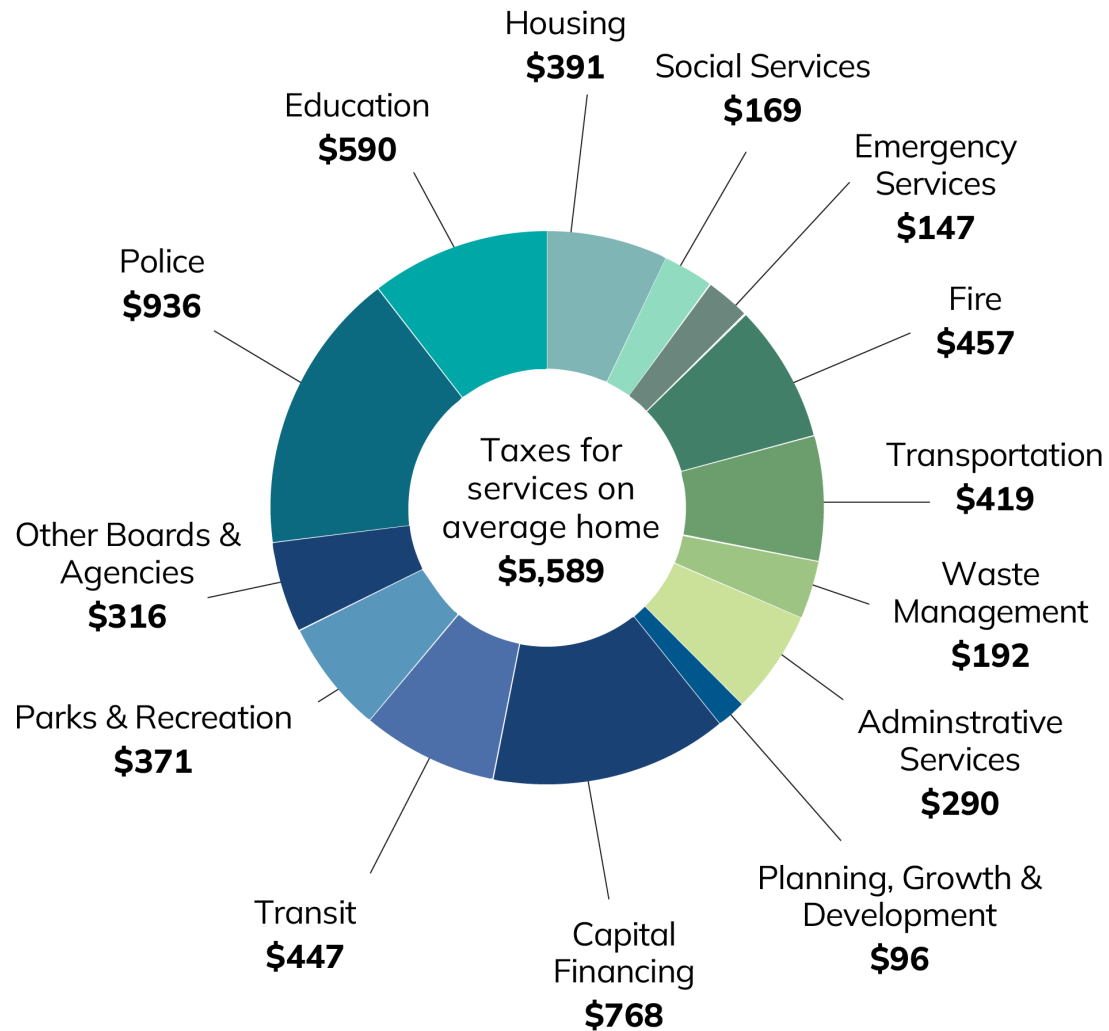
## Challenges

- Rising inflation and costs to deliver core services
- Service and investment demands
- Downward trend in non-property tax revenues



**\$1.3B**  
Net Levy

# Where Your Money Goes



## What City Council has control over – 50%

- Education – 11%
- Provincially Shared Services – 13%
- Police Services – 17%
- Other Boards and Agencies – 6%

**\$1.3B**  
Net Tax Levy

# Municipal Infrastructure

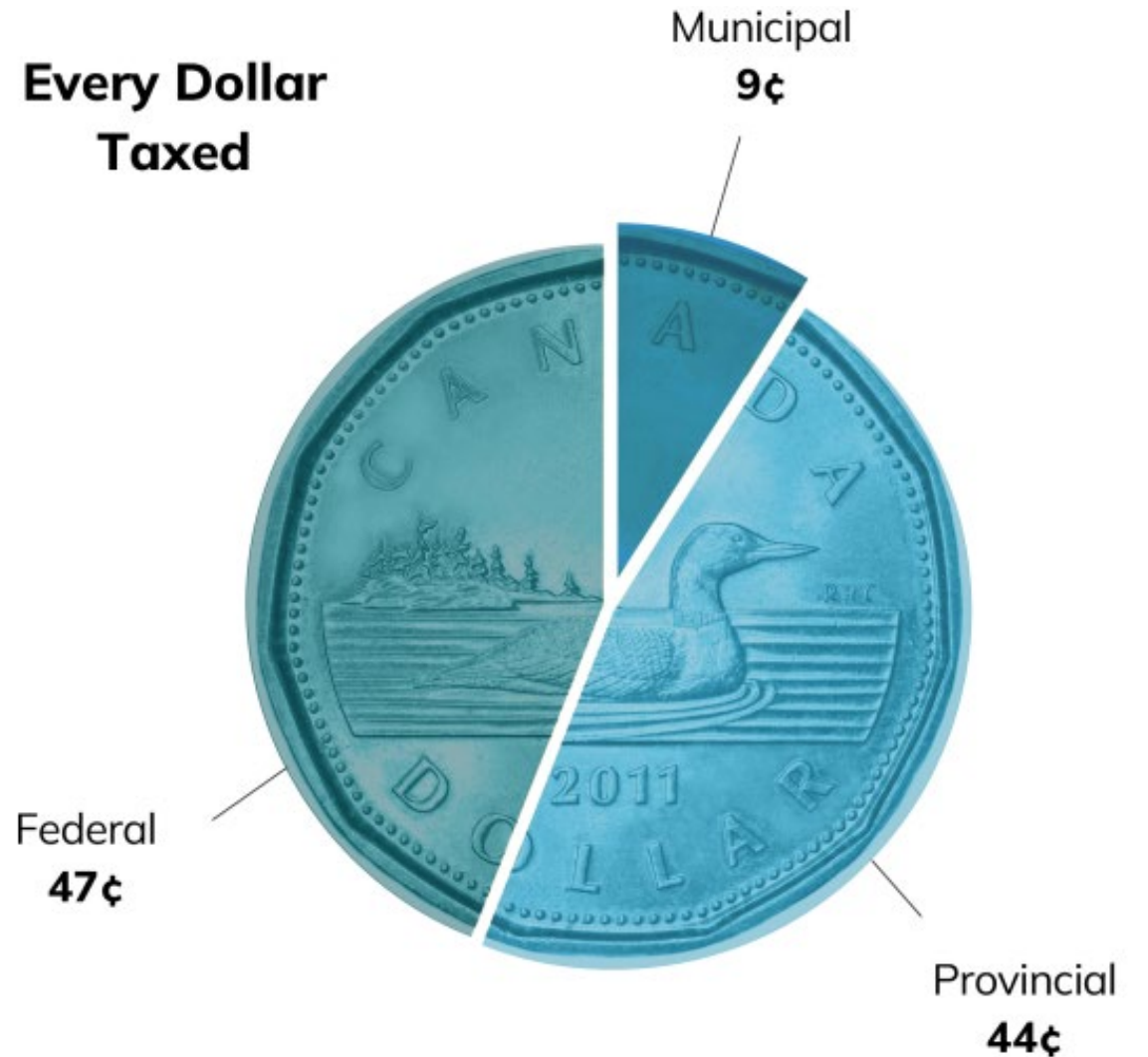
Municipal governments own and manage about 60% of the core public infrastructure that supports the economy and Canadian's quality of life.

*(Source FCM)*

## City of Hamilton

\$39.4B – Total replacement value

\$ 5.2B – 10-year infrastructure funding gap

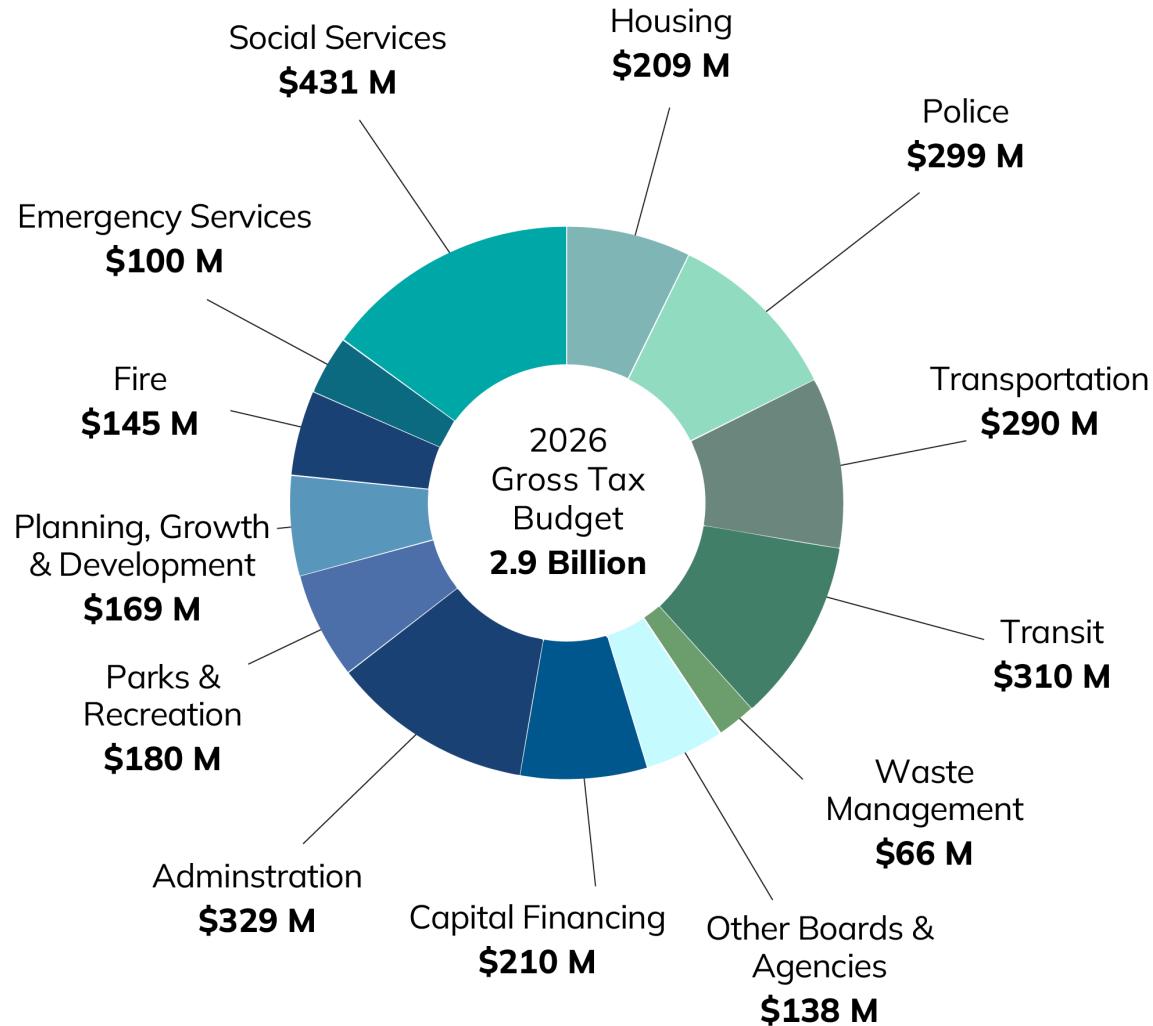




# Proposed Tax Operating Budget



# Gross Tax Budget

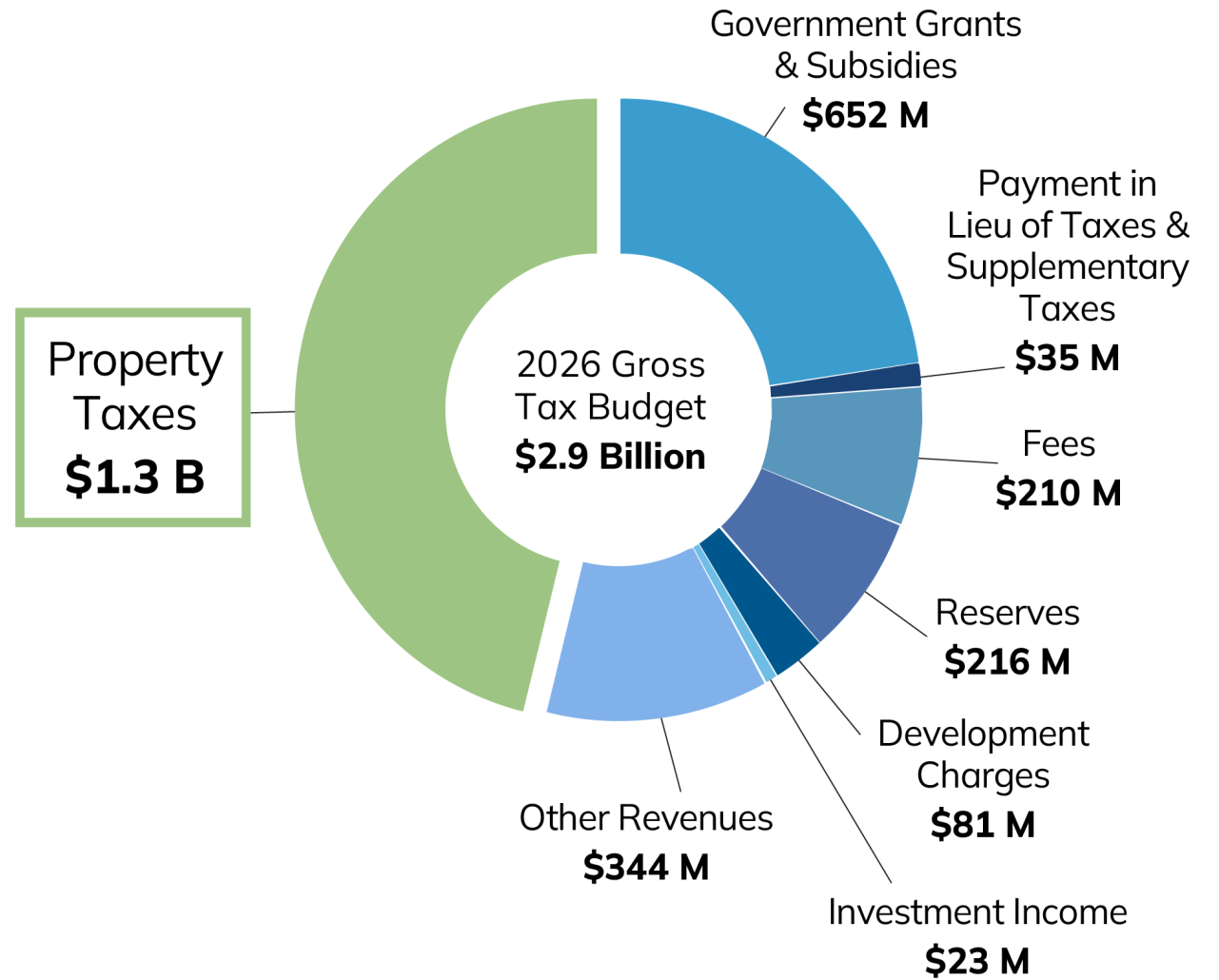


## 2026 Gross Tax Budget Breakdown

The City of Hamilton's proposed 2026 Tax Supported Operating and Capital budgets total **\$2.9 billion**, which support **70** distinct City services and key investments.

The 2026 tax budget represents an increase of **4.25%**. This amounts to a **\$228/year** increase for an average residential property.

# 2026 Revenues



# 2026 Budget Mitigation Approach

## Efficiency, Service Excellence and Accountability

### Operating

- Cost Savings Measures (line-by-line review)
- Review User Fees
- Staffing and Vacancy Management
- Operational Efficiency Review

### Financial Strategies

- Use of Reserves
- Use of Debt
- Additional/Expanded Revenues, including Other Levels of Government

### Capital Financing

- Review of Capital Work-in-Progress
- Capital Recalibration

### Business Cases/Council-Referred

- Review of Council-Referred Items
- Review of Business Cases

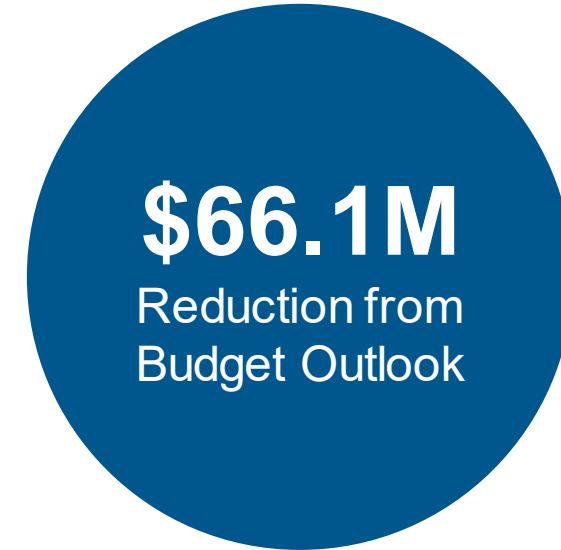
# Budget Mitigation – Overall Reduction Required

## Additional Pressures

- \$4.5M increase – Budget Realignment
- \$700K increase – Boards & Agencies Revisions

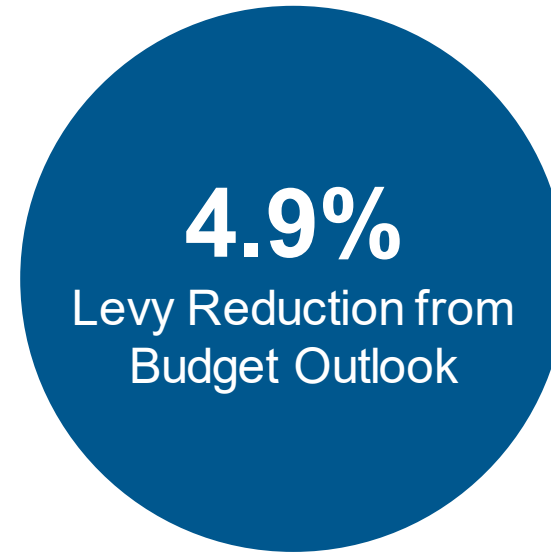
## Reductions

- \$24.7M reduction - Departmental Savings
- \$26.8M reduction - Financial Offsets
- \$13.8M reduction - Financial Sustainability (Reserve Strategy)
- \$800K reduction - Deferrals of Council Referred Items and Business Cases



# 2026 Proposed Tax Operating Budget Summary

- **City Departments 2.2% increase**
- Corporate Financials/Non-Program Revenues (38%) decrease
- Boards and Agencies 6.3% increase
- Capital Financing 6% increase
- Total Net Levy 5.7%



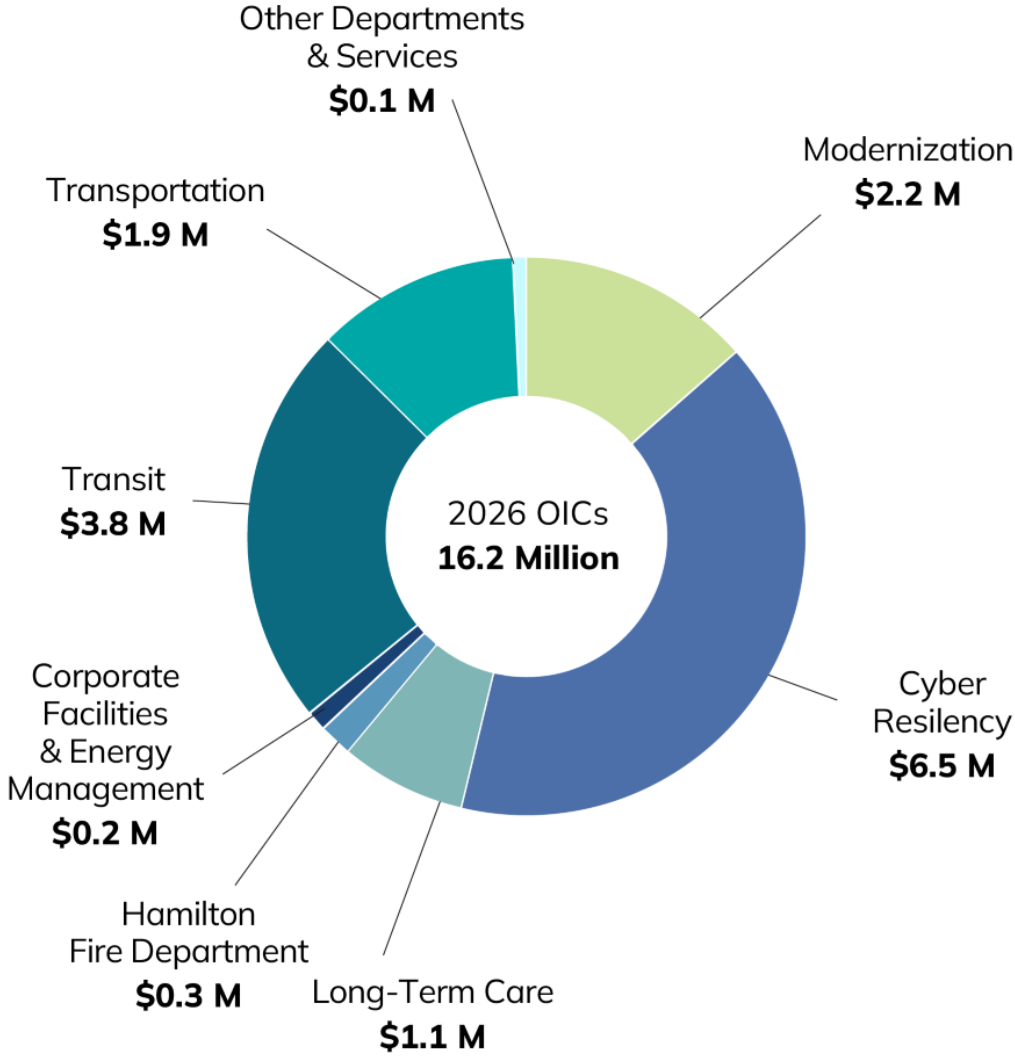
# 2026 Proposed Tax Operating Budget Summary (000's)

Departments / Operating Budget	2025				2026				Total	Total vs. Restated
	Restated Budget	Maintenance	Maintenance vs. Restated	Capital Levy	Strategic Priorities - Business Cases	Strategic Priorities - Council Referred	Total			
Planning & Economic Development	38,865	38,388	(477)	-1.2%	-	-	414	38,801	(64)	-0.2%
Healthy & Safe Communities	342,574	349,874	7,300	2.1%	-	-	-	349,874	7,300	2.1%
Public Works	343,690	352,081	8,390	2.4%	-	155	344	352,580	8,890	2.6%
Legislative	7,733	7,948	215	2.8%	-	-	-	7,948	215	2.8%
City Manager	16,877	17,044	167	1.0%	-	-	-	17,044	167	1.0%
Corporate Services	53,244	53,927	683	1.3%	-	-	-	54,052	808	1.5%
Corporate Financials/ Non-Program Revenue	(59,443)	(37,024)	22,419	-37.7%	-	-	-	(36,899)	22,544	-37.9%
<b>Total City Expenditures</b>	<b>743,540</b>	<b>782,237</b>	<b>38,697</b>	<b>5.2%</b>	<b>-</b>	<b>155</b>	<b>758</b>	<b>783,400</b>	<b>39,860</b>	<b>5.4%</b>
Hamilton Police Service	223,720	238,958	15,238	6.8%	-	-	-	238,958	15,238	6.8%
Hamilton Police Service Board	1,035	1,936	901	87.1%	-	-	-	1,936	901	87.1%
Hamilton Police Service – 911	5,099	5,285	187	3.7%	-	-	-	5,285	187	3.7%
Other Boards and Agencies	73,238	76,398	3,160	4.3%	-	-	-	6,770	-	0.0%
City Enrichment Fund	6,770	6,770	-	0.0%	-	-	-	6,770	-	0.0%
<b>Total Boards and Agencies</b>	<b>309,861</b>	<b>329,346</b>	<b>19,486</b>	<b>6.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329,346</b>	<b>19,486</b>	<b>6.3%</b>
Capital Financing	190,486	190,486	-	0.0%	11,503	-	-	201,989	11,503	6.0%
<b>Total Net Levy</b>	<b>1,243,887</b>	<b>1,302,069</b>	<b>58,183</b>	<b>4.7%</b>	<b>11,503</b>	<b>155</b>	<b>758</b>	<b>1,314,735</b>	<b>70,848</b>	<b>5.7%</b>
<b>Average Residential Tax Impact</b>										
Municipal Net Levy Tax Impact				4.48%						5.45%
Assessment Growth				-1.70%						-1.70%
Reassessment				0.00%						0.00%
Tax Policy				0.50%						0.50%
Education Tax Impact				0.00%						0.00%
<b>Total</b>				<b>3.28%</b>						<b>4.25%</b>

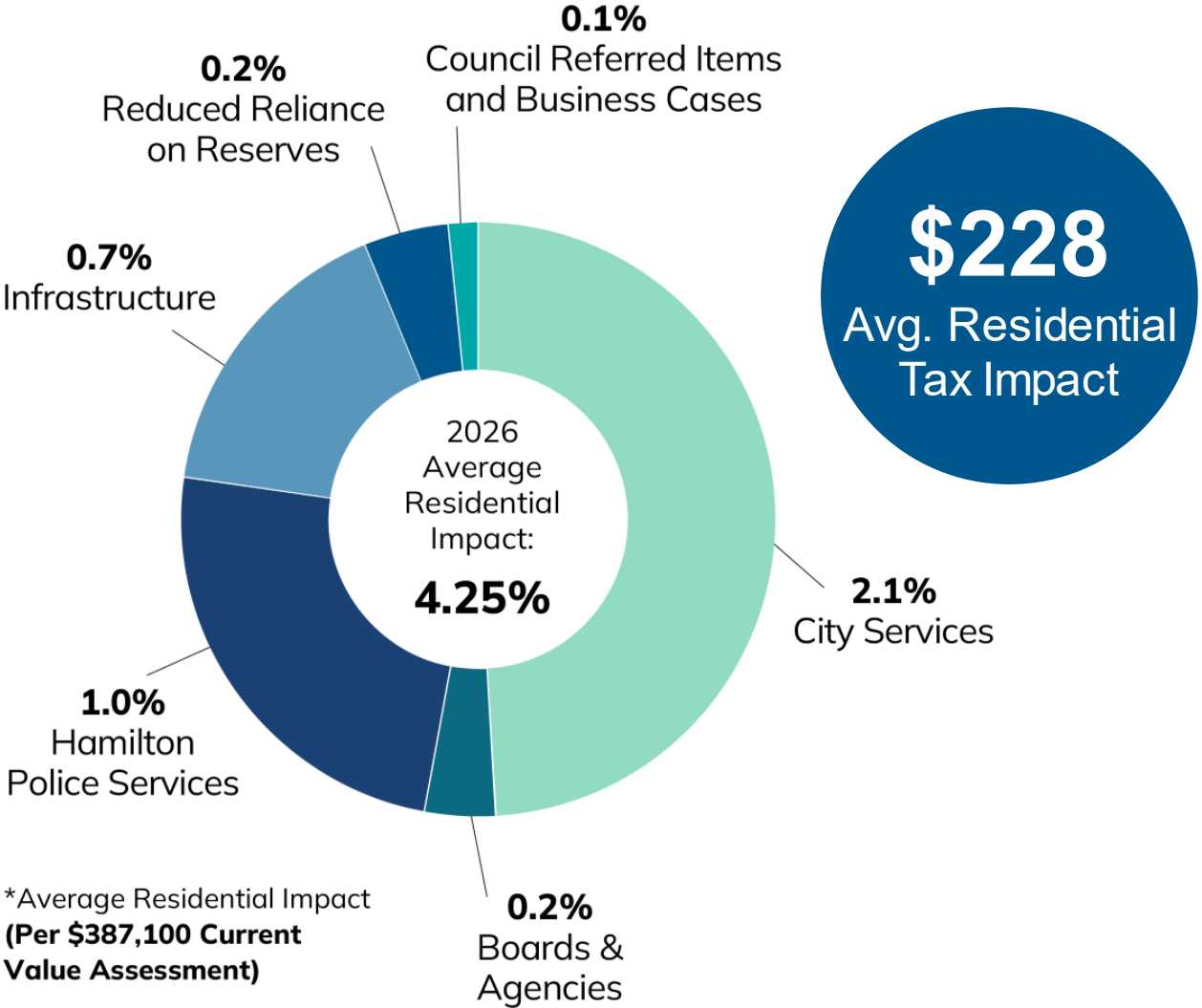
# Budget Mitigations (appendices)



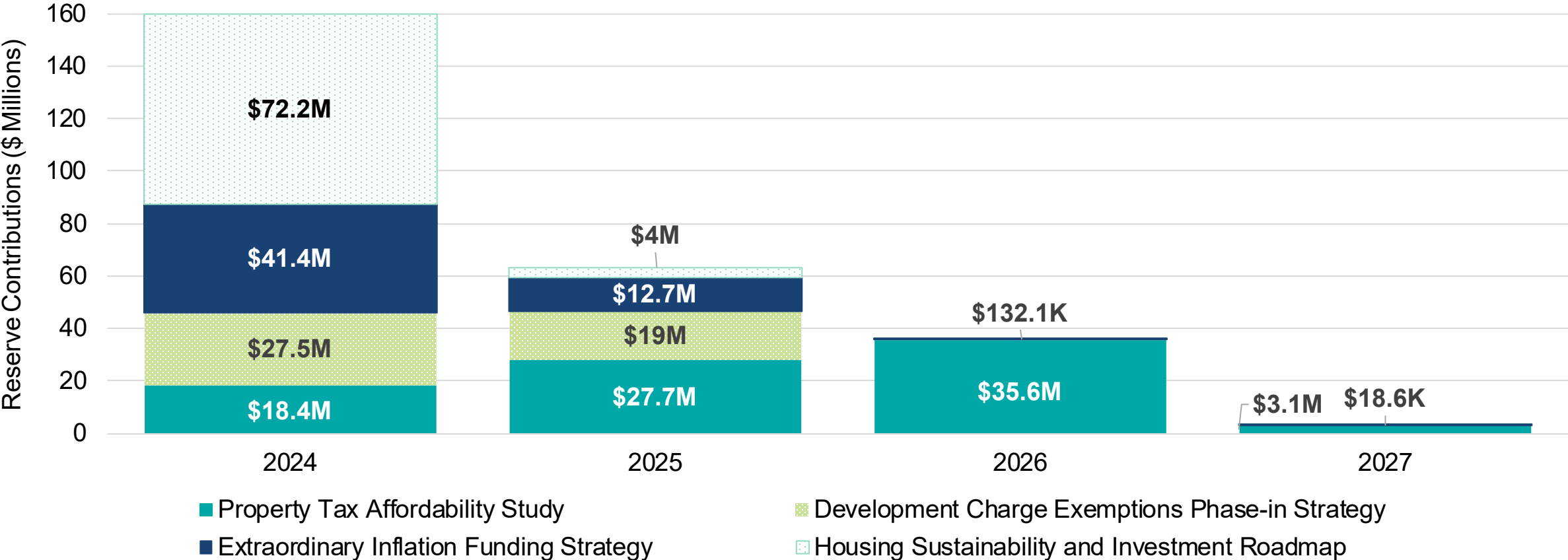
# 2026 Operating Impacts of Capital



# 2026 Proposed Residential Tax Impact

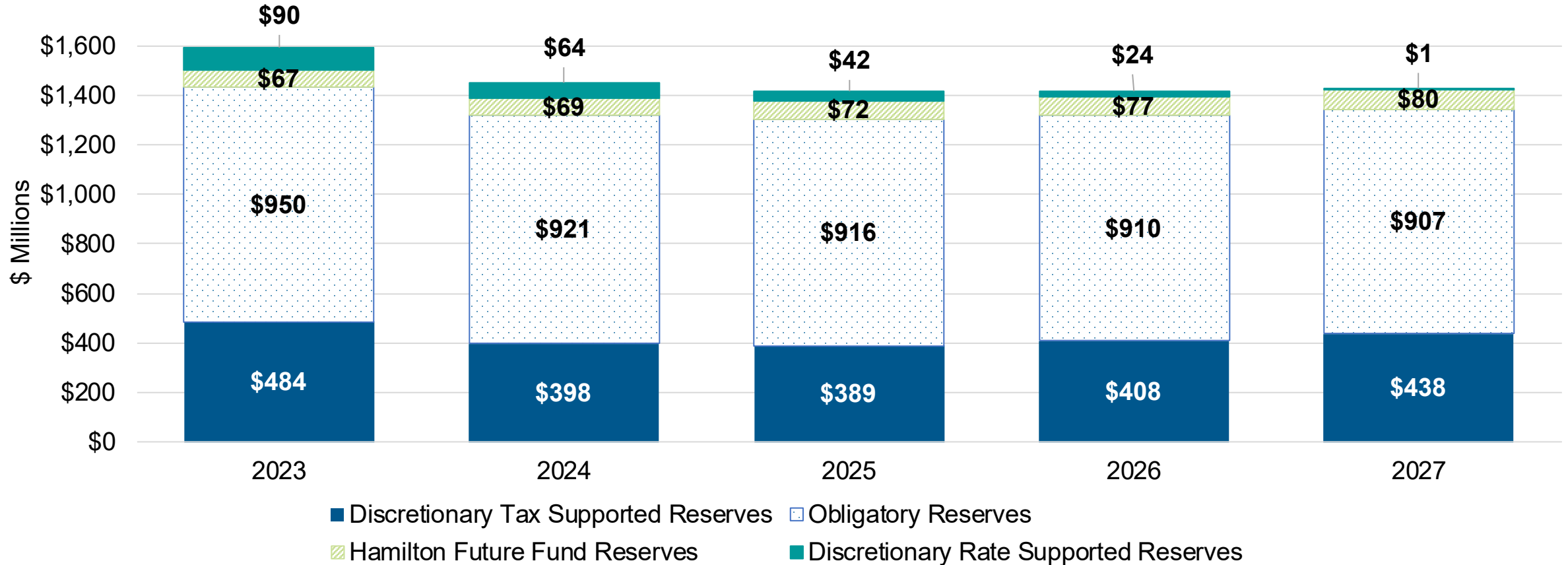


# 2024 to 2027 Reserve Strategy

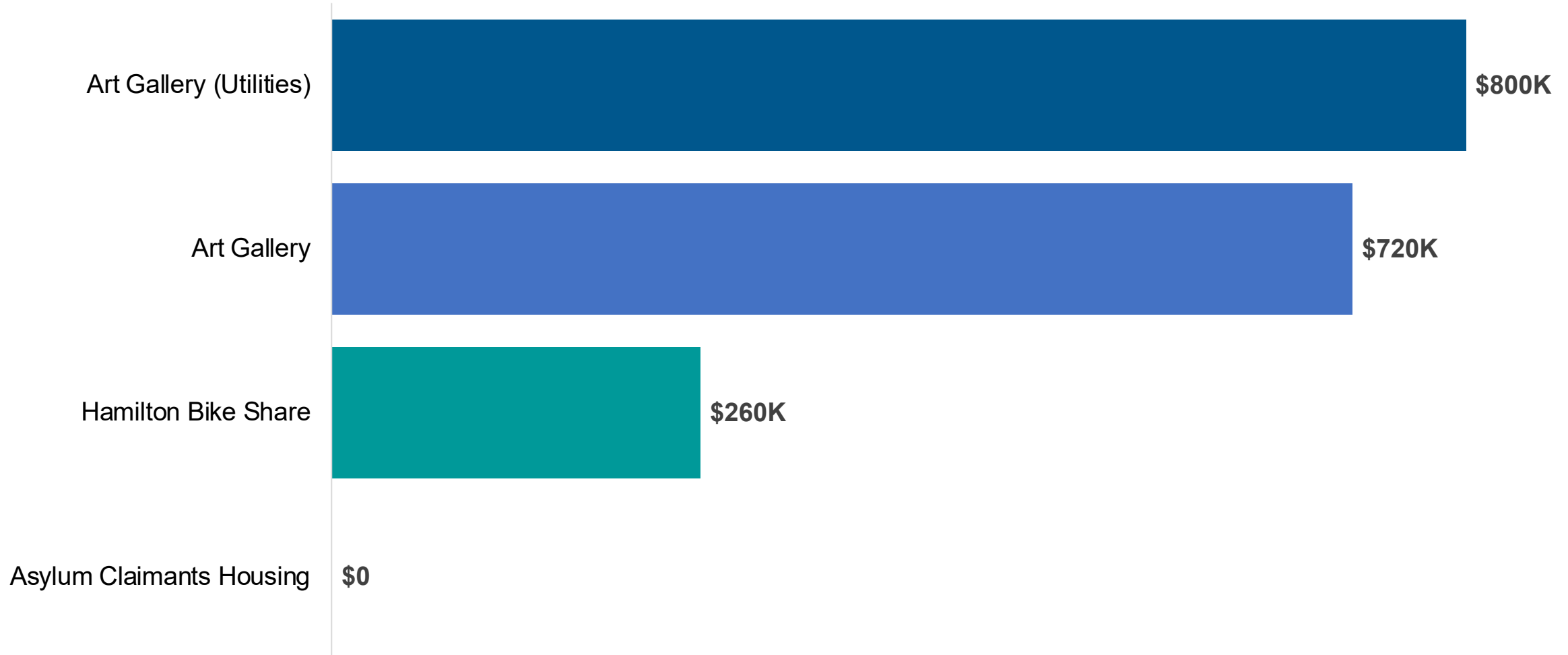


# Reserve Management

## City of Hamilton 2023 to 2027 Reserve Projections



# Council Referred Items – 2026 Proposed Tax Budget



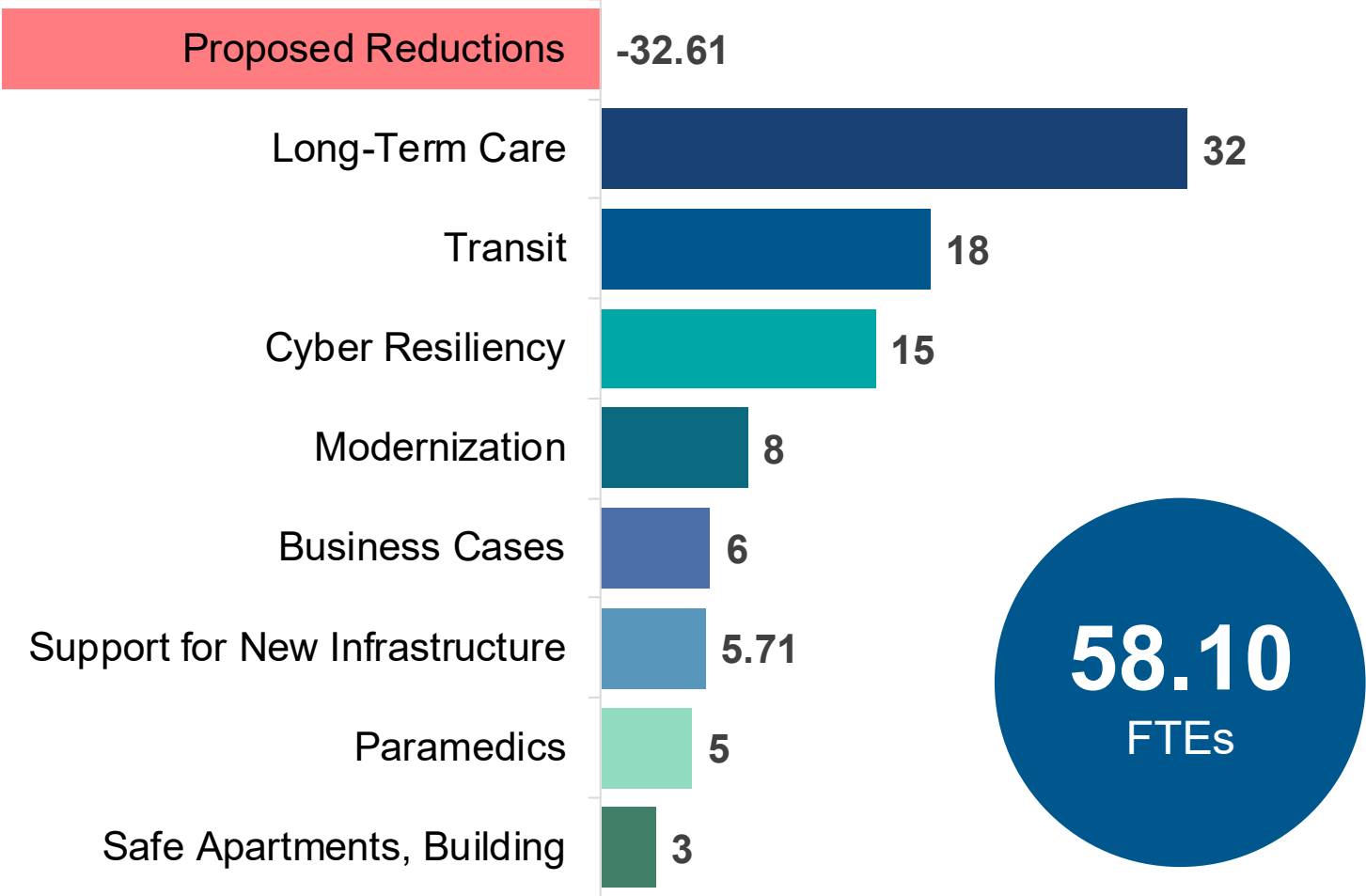
# Business Cases – 2026 Proposed Tax Budget

SPCC Staff Resources	\$160K	1 FTE
Cemetary Additional Crew	\$0	2 FTE
Project Manager - Bridges	\$0	1 FTE
Paramedic Staffing Enhancements	\$0	5 FTE

# 2026 Proposed City Complement

### Boards & Agencies Proposed Complement Additions:

- 80 FTE = Hamilton Police Service and Hamilton Police Board
- 0.35 FTE = Library



# 2026 Boards and Agencies Proposed Budgets (\$000s)

Board/ Agency	2025 NET Restated Budget	2026 NET Proposed Budget	Change		Funded from Capital Levy	2026 TOTAL Proposed Budget
			\$	%		
Conservation Authorities	9,756	10,102	346	3.54%	2,000	12,102
MPAC	7,116	7,454	339	4.76%	-	7,454
Hamilton Beach Rescue Unit	148	155	6	4.25%	-	155
Hamilton Farmers' Market	343	401	59	17.11%	-	401
Royal Botanical Gardens	687	701	14	2.00%	-	701
Hamilton Police Services & Police Board	224,755	240,894	16,139	7.18%	5,725	246,619
Hamilton Police Services – 911 Service	5,099	5,285	187	3.66%	-	5,285
Hamilton Public Library	37,481	39,076	1,595	4.25%	550	39,626
Board of Health	17,707	18,509	802	4.53%	135	18,644
City Enrichment Fund	6,770	6,770	-	0.00%	-	6,770
<b>Total Boards &amp; Agencies</b>	<b>309,861</b>	<b>329,346</b>	<b>19,485</b>	<b>6.29%</b>	<b>8,410</b>	<b>337,756</b>

# 2026 Proposed Residential Tax Impact Comparator

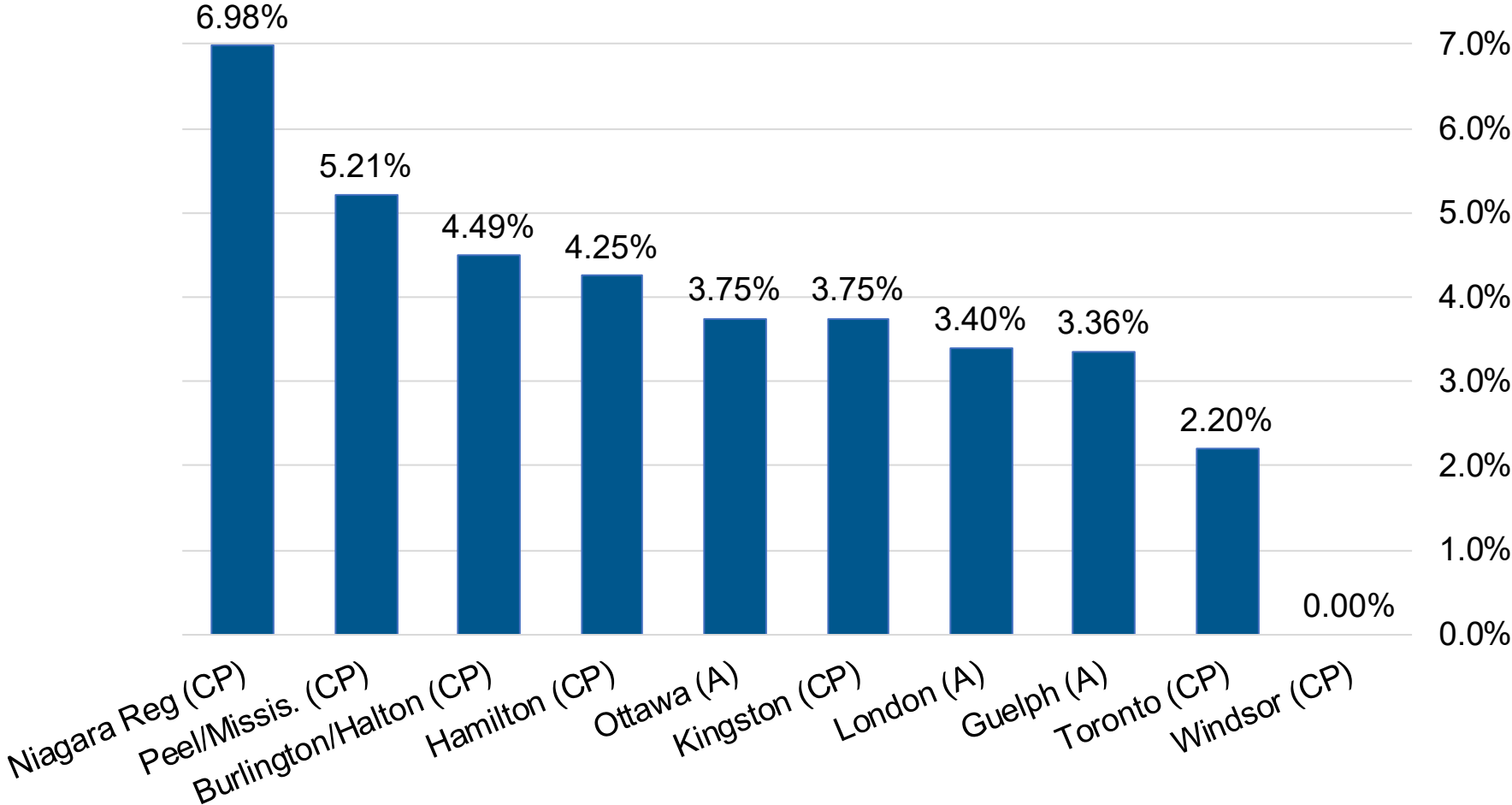
T = Mayor Directed Target

CP = Current Position

A = Adopted

**Notes:**

- Municipalities that are reflecting a target was set by Council. This may not reflect the current position





# Proposed Tax Capital Budget



# 2026 Capital Financing Plan Objectives

- Asset reinvestment in accordance with Asset Management Plans
- Growth and Development
- Address deficiencies in statutory and discretionary DC exemptions
- Investment in strategic initiatives
- Support inflationary increases to maintain infrastructure



# Equity-Based Budgeting


- Evolving and ongoing work
- The City is partnering with the YWCA Hamilton to develop a local “made in Hamilton” equity-based budgeting framework
- There are examples of this work already underway: (gender-based safety audit, recreation master plan, asset management plans)
- This will be a corporate initiative with cross-collaboration
- Equity-based budgeting will provide opportunities for additional resident engagement, including those from equity-deserving communities




# 2026 Capital Program

## Major Gross Capital Investments

Total Gross Capital Budget: **\$626.7M**


 Roads / Bridges / Sidewalk / Street Lighting / Traffic  
**\$124.7M**


 Transit Related  
**\$116.3M**


 Police  
**\$27.1M**

 Fire  
**\$23.4M**

 Paramedics  
**\$13.3M**

 Fleet & Vehicles  
**\$13.5M**

 Park Improvements  
**\$12.1M**

 Building Better  
**\$49.7M**

# 2026 Major Infrastructure Investments (1 of 2)

## Transit (Total Gross = \$116M)

- Transit Maintenance and Storage Facility - **\$41M**
- HSR Next Expansion Fleet - **\$33M**
- HSR Bus Replacement Program (ICIP) - **\$26M**
- HSR Next Infrastructure - **\$13M**

## Transportation Network (Total Gross = \$125M)

- Main Street Two Way Conversion - **\$13M**
- Bridge 329 - Burlington St E over Wilcox St - **\$10M**
- Preventative Road Maintenance Program - **\$9M**
- Highway 5 & 6 Interchange EA & Implementation - **\$7M**
- Bridge 280 - Claremont Access, 250m w/o Claremont Ac (West 5th Ramp) - **\$4M**



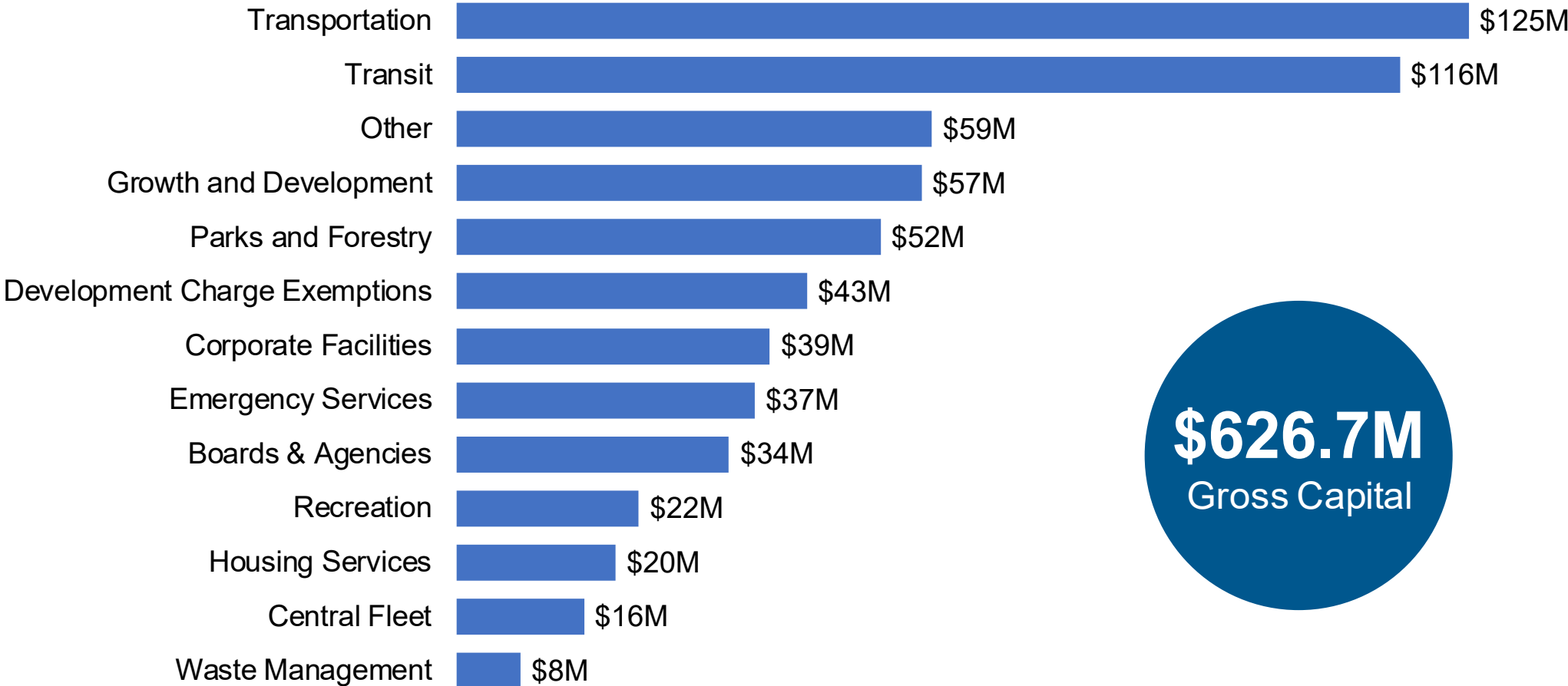
# 2026 Major Infrastructure Investments (2 of 2)

- Paramedic Central Reporting Station - **\$10M**
- Waterdown Fire/Police Station - **\$17M**
- Macassa Lodge B-Wing - **\$21M**
- Project Parks Master Plan 2025-2033 - **\$34M**
- Critical Infrastructure Replacement and Refresh - **\$14M**
- Cybersecurity Recovery - **\$17M**
- Cyber Resilience - **\$19M**
- Fleet Vehicle & Equipment Replace Program - **\$13M**
- DC Exemptions - **\$43M**

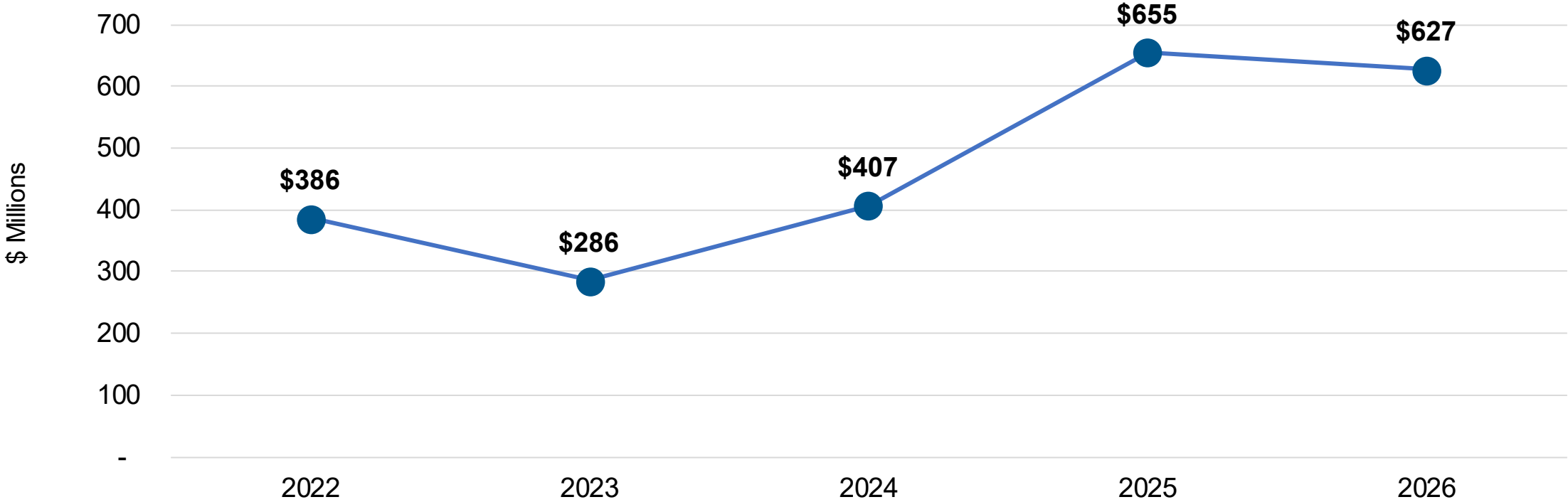


# 2026 Proposed Capital Budget Summary

## 2026 Gross Capital Budget by Program



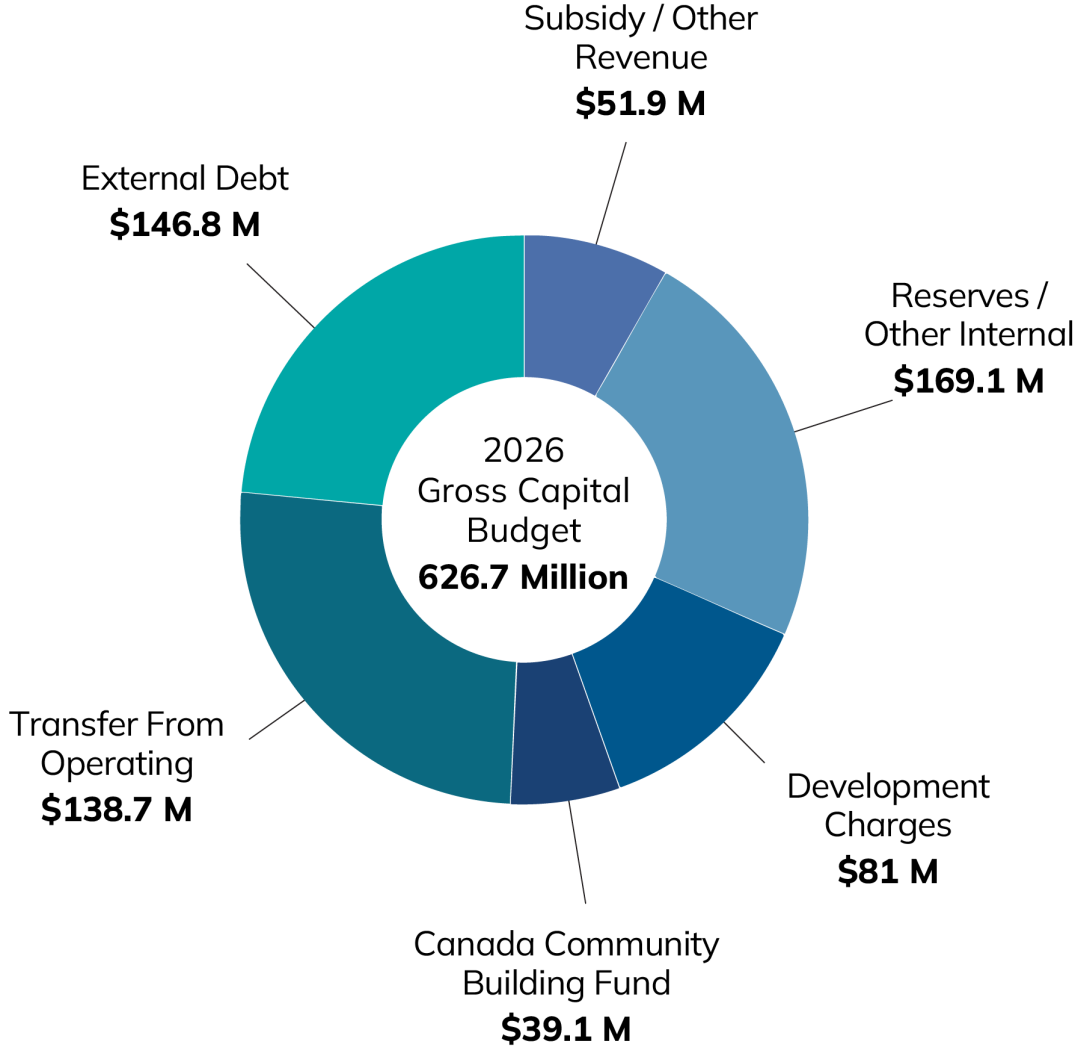
# 2022 to 2026 Gross Capital Investment



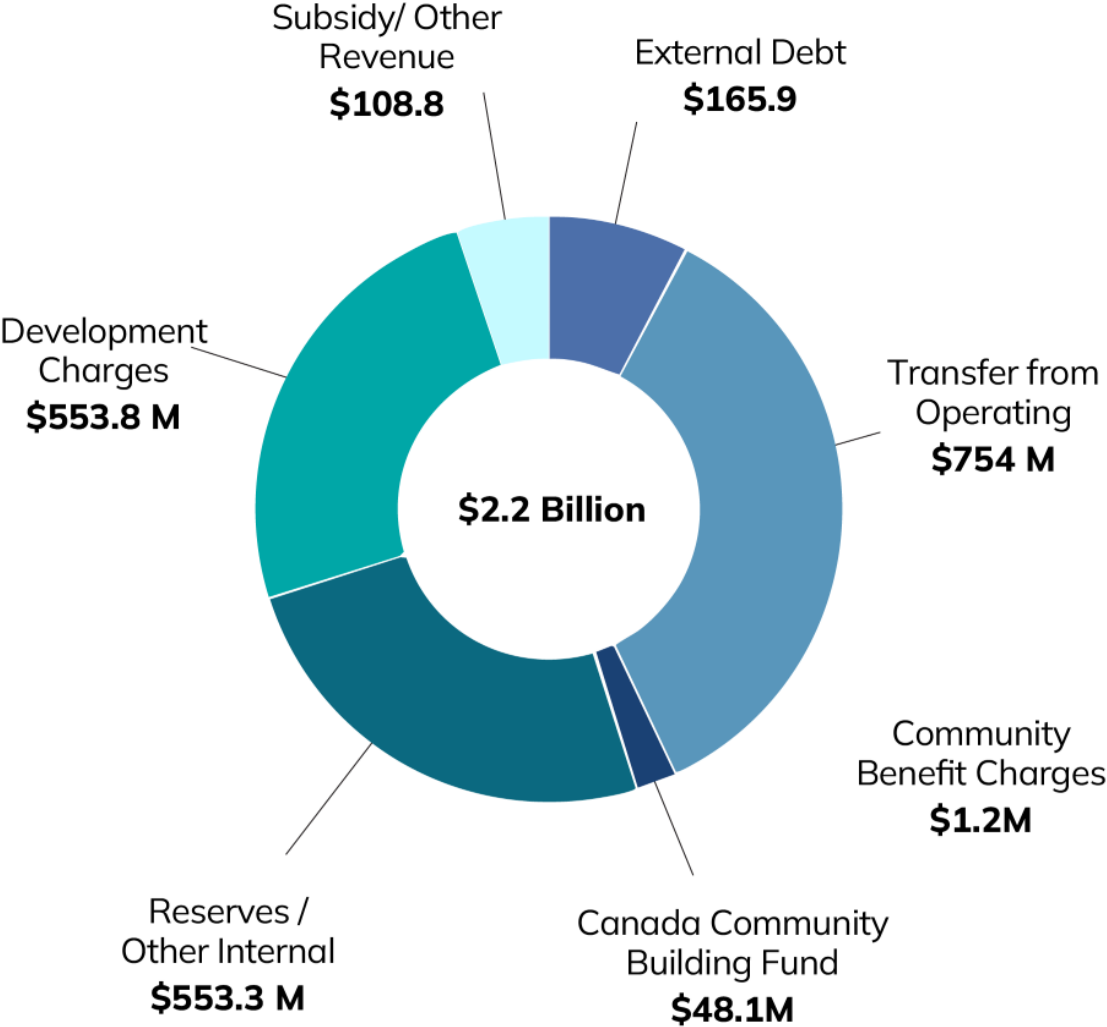
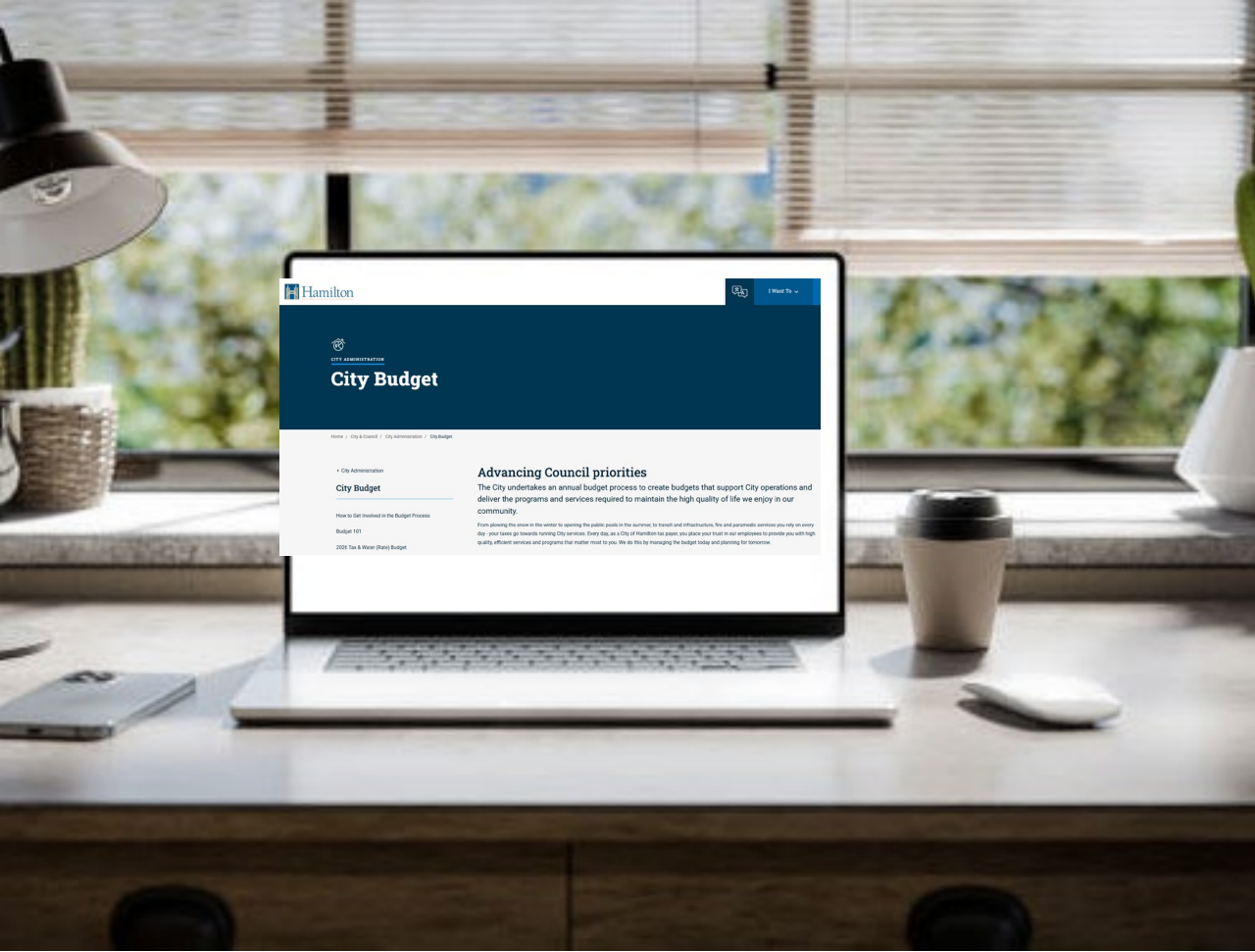
# Forecasted Capital Levy Increases

	2025	2026	2027	2028	2029
General Capital Levy	0.00%	0.00%	0.00%	0.00%	0.00%
Climate Change Action Strategy	0.82%	0.00%	0.00%	0.00%	0.00%
Transportation Asset Management Plan	0.32%	0.64%	0.76%	0.76%	0.76%
Non-Core Asset Management Plans	0.00%	0.26%	0.60%	0.60%	0.60%
Development Charge Exemptions	0.70%	0.65%	0.47%	0.00%	0.00%
Servicing Requirements for New Debt	0.70%	1.24%	0.25%	0.22%	0.00%
Financing Strategy	0.00%	-1.87%	0.00%	0.00%	0.00%
<b>Total Levy Impact</b>	<b>2.54%</b>	<b>0.92%</b>	<b>2.08%</b>	<b>1.59%</b>	<b>1.36%</b>

# 2026 Gross Capital Funding

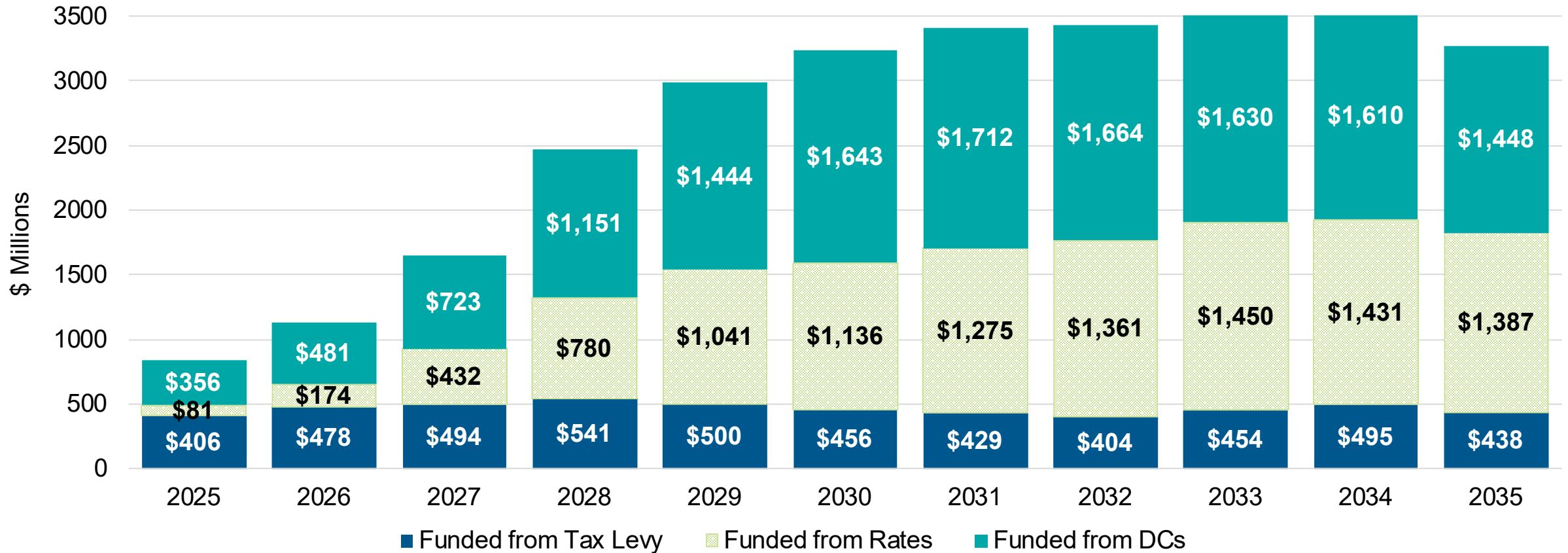


# 2026-2029 Gross Capital Funding



# Tax & Water (Rate) Outstanding Debt Projection

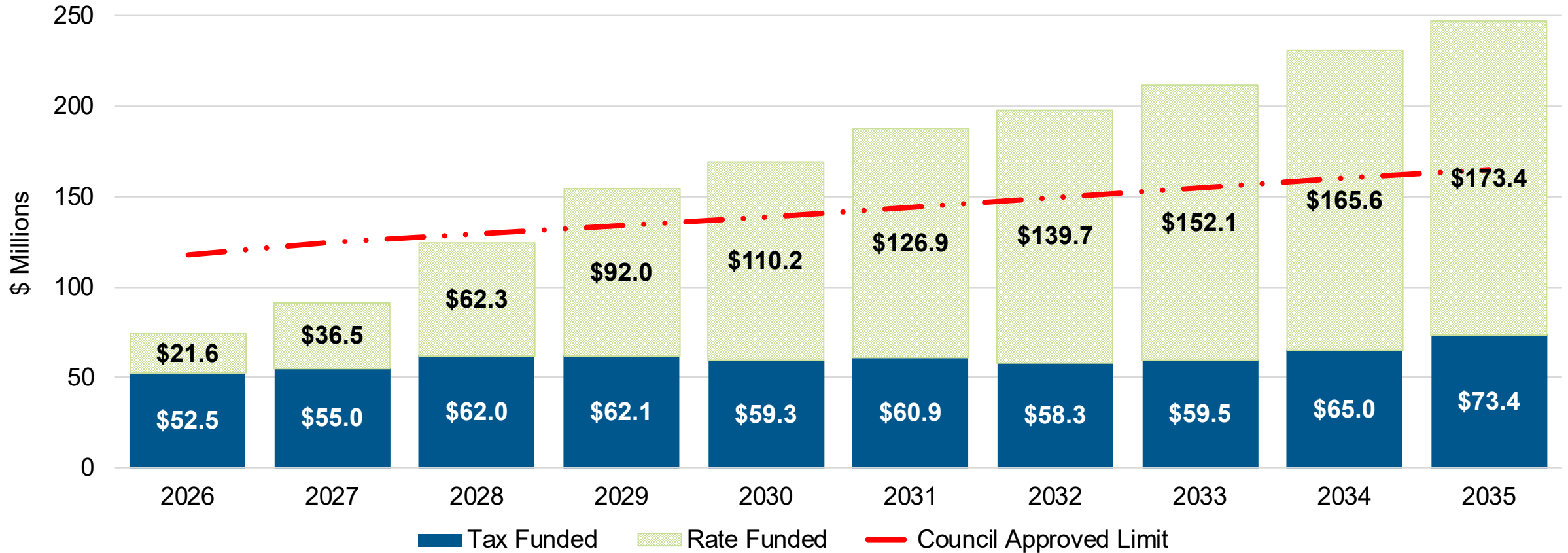
Tax & Rate Supported Outstanding Debt Projection



\*Rate debt based on the 2025 Rate Budget Financing Plan

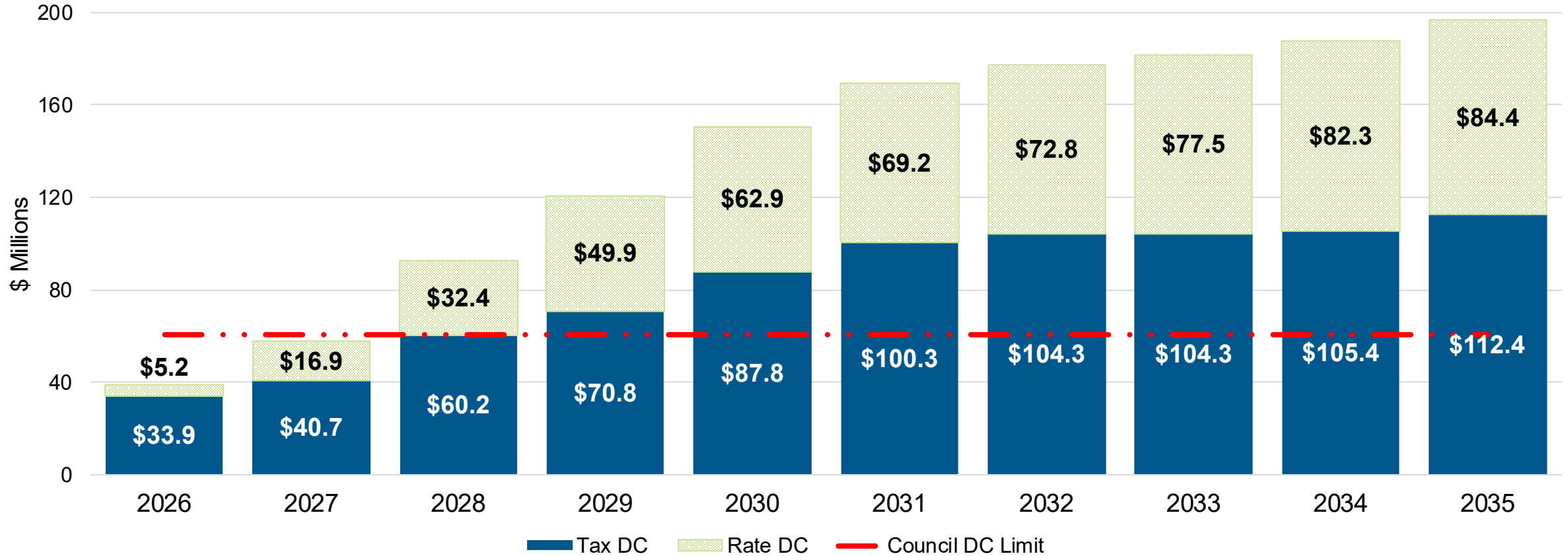
# 10 Year Capital Strategy – Debt Charges

Total Tax and Water Debt Charges vs. Council Approved Limit



# 10 Year Capital Strategy – DC Debt Charges

Total DC Funded Debt Charges vs. Council Approved Limit



# Debt Management

## 2026 Debt Assessment

Measurement	2026		
	Forecast	Target	
Tax & Rate Supported Debt as a % of City Own-Source Revenue	10%	60%	<input checked="" type="checkbox"/>
DC Supported Debt as a % of Total DC Eligible Costs	2%	25%	<input checked="" type="checkbox"/>
Debt Service Charges as a % of City Own-Source Revenue	3%	25%	<input checked="" type="checkbox"/>
Total Variable Rate Debt as % of Outstanding Total Debt	2%	15%	<input checked="" type="checkbox"/>

# Conclusion

- Achieves 4.25% Tax Increase
- Protects Core Municipal Services
- Prioritizes Critical Infrastructure Renewal
- Maintains Investments in Community Safety and Well-being





**Questions?**